

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA**

**Legal Action Report of the  
Regular Meeting  
of the Board of Directors**

Thursday, February 21, 2019  
2:30 p.m.

at the  
Tucson Metropolitan Chamber of Commerce  
465 W. Saint Mary's Road  
Tucson, Arizona 85701

**Present: Board Members** Gary Bachman  
Larry Lucero  
Judy Clinco  
Neal Eckel  
Sandra Barton

**Staff** Charles Lotzar, Lotzar Law Firm, PC  
Karen Valdez, BDFC Advisor Services, LLC  
Gary Molenda, BDFC Advisor Services, LLC  
Gabriel Gomez, BDFC Advisor Services, LLC

**Absent** Patricia Schwabe  
Meredith Aronson

**Guests** Melissa "Mimi" Petro  
Paula Schaper, WestWordVision  
Mike Czechowski, City of Tucson

The Regular Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the "Authority") was held on **February 21, 2019**, at the Tucson Metropolitan Chamber of Commerce, 465 W. Saint Mary's Road, Tucson, AZ 85701. All Authority's Board Members and the general public were duly notified of the meeting. C. Lotzar had informed the Authority's Board of Directors that Arizona's Open Meeting Laws allow for members of the Authority's Board of Directors and legal counsel to appear and participate in the meeting telephonically so long as all participants in the meeting can hear and be heard.

ITEM	ACTION TAKEN/TO BE TAKEN
1. Call to Order	The meeting was called to order at <b>2:30 p.m.</b>
2. Request for resolution to approve the minutes of the Regular Meeting of January 17, 2018.	A <b>MOTION</b> was made and seconded (N. Eckel / S. Barton) to approve the minutes of the <b>January 17, 2019</b> Regular Meeting as presented. <b>Approved 5-0.</b>
3. Request for resolution to approve the payment of invoices and the notification of items to be paid on the Authority's behalf by third parties.	A <b>MOTION</b> was made and seconded (J. Clinco / S. Barton) to approve payment of invoices, as presented. <b>Approved 5-0</b>  A <b>MOTION</b> was made and seconded (J. Clinco / L. Lucero) to approve sponsorship in the amount of <b>\$500</b> to Pima County Community Land Trust for its fundraising event as presented. <b>Approved 5-0.</b>

<p><b>4. Status report from the Liaison to City of Tucson, Arizona City Manager's Office related to:</b></p> <ul style="list-style-type: none"> <li>a. The City's Economic Development Prospect list.</li> <li>b. The City's use of Economic Development tools.</li> <li>c. Opportunity Zones.</li> <li>e. Current items of interest.</li> </ul>	<p>No action taken</p>
<p><b>5. President's Report: Summary of current events, including items brought to the President's attention or matters that required handling by the President since the last meeting:</b></p> <ul style="list-style-type: none"> <li>a. Introduction of Melissa (Mimi) Noshay-Petro, Mayor &amp; Council appointment to the Authority's Board of Directors effective March 12, 2019</li> <li>b. "State of the City" address to be held on March 1, 2019 at the Tucson Convention Center, 260 S. Church Avenue, Tucson, Arizona 85701</li> <li>c. 2019 NALHFA Annual Conference - May 15 - 18, 2019, Hilton Denver City Center, 1701 California Street, Denver, Colorado</li> </ul>	<p>No action taken</p>
<p><b>6. Status report related to sponsorship request received for the National Association for County Community and Economic Development ("NACCED") conference to be held in Tucson, Arizona October 2019.</b></p>	<p><b>Continued</b> to March 21, 2019 Regular Meeting</p>
<p><b>7. Status report concerning recommendation from the Loan Review Committee concerning a request from Business Development Finance Corporation ("BDFC") for participation in a loan with BDFC in an amount not to exceed \$125,000 related to BDFC's loan to Ermanos Craft Beer &amp; Wine Bar for its business to be operated at 220 N. 4<sup>th</sup> Avenue, Tucson, Arizona 85705, and request for resolution for all actions related thereto.</b></p>	<p>A <b>MOTION</b> was made and seconded (L. Lucero / N. Eckel) to accept the recommendation of the Loan Review Committee and approve participation in a loan with BDFC, in an amount not to exceed <b>\$125,000</b>, related to BDFC's loan to Ermanos Craft Beer Depot LLC, as presented. <b>Approved 5-0</b></p>
<p><b>8. Status report concerning recommendation from the Loan Review Committee concerning a request from Business Development Finance Corporation ("BDFC") for participation in a loan with BDFC in an amount not to exceed \$140,000 related to BDFC's loan to Conformattech for its business to be operated at 1425 E. Apache Park Place, Tucson, Arizona 85714, and request for resolution for all actions related thereto.</b></p>	<p>A <b>MOTION</b> was made and seconded (N. Eckel / L. Lucero) to accept the recommendation of the Loan Review Committee and approve participation in a loan with BDFC, in an amount not to exceed <b>\$140,000</b>, related to BDFC's loan to Conformattech Inc., as presented. <b>Approved 5-0</b></p>
<p><b>9. Disclosure of relationship by S. Barton, status report regarding the current investment and banking activities of the Authority and request for resolution for any actions related thereto.</b></p>	<p>A <b>MOTION</b> was made and seconded (L. Lucero / J. Clinco) to proceed with a Request for Proposal for investment and banking services, as presented. <b>Approved 4-0</b> (S. Barton did not participate/vote)</p> <p>A <b>MOTION</b> was made and seconded (N. Eckel / J. Clinco) to close accounts at Tucson Old Pueblo Credit Union upon Certificate of Deposit Maturity in <b>March 2019</b>. <b>Approved 4-0</b> (S. Barton did not participate/vote)</p>

10. Status report related to existing programs, and potential activities, pursuant to the “Goals” of the Authority, and request for resolution related to any action related thereto.	No action taken
11. Status report related to the “Pathway to Purchase Program” within the “Pima/Tucson Homebuyers Solution Program” and request for resolution related thereto. <i>Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Authority may vote to recess and meet in Executive Session for discussion or consultation with and to provide direction to the Authority’s legal counsel relating to this item. Any action taken by the Authority regarding this matter will be taken in open meeting session (either at this meeting or later) after the adjournment of the Executive Session.</i>	No action taken
12. Status report regarding The Industrial Development Authority of the City of Tucson, Arizona Single Family Mortgage Credit Certificate Program of 2017 and request from The Industrial Development Authority of the County of Pima to establish a Joint Single Family Mortgage Credit Certificate Program, and request for resolution for all actions related thereto <i>Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Authority may vote to recess and meet in Executive Session for discussion or consultation with and to provide direction to the Authority’s legal counsel about this item. Any action taken by the Authority regarding this matter will be taken in open meeting session (either at this meeting or later) after the adjournment of the Executive Session.</i>	<p>A <b>MOTION</b> was made and seconded (S. Barton / J. Clinco) to adjourn regular session at <b>3:58 p.m.</b> to discuss item in executive session. <b>Approved 5-0</b></p> <p>Regular Session resumed at <b>4:13 p.m.</b></p> <p>A <b>MOTION</b> was made and seconded (N. Eckel / J. Clinco) to direct Chuck Lotzar, as the Authority’s General Counsel, to respond to the Pima IDA letter and politely decline request. <b>Approved 5-0</b></p>
13. Status Report related to the potential sale, development, construction, equipping and /or operation of a project on (a) 450 N. Main, (b) Block 174, and (c) Block 175 and request for resolution related thereto; which may include formally ratifying the direction previously given to legal counsel. <i>Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Authority may vote to recess and meet in Executive Session for discussion or consultation with and to provide direction to the Authority’s legal counsel about this item. Any action taken by the Authority regarding this matter will be taken in open meeting session (either at this meeting or later) after the adjournment of the Executive Session.</i>	
14. Status report related to potential Arizona legislation regarding the Industrial Development Financing Act and Private Activity Bonding Allocation Act and request for resolution related thereto. <i>Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Authority may vote to recess and meet in Executive Session for discussion or consultation with and to provide direction to the Authority’s legal counsel about this item. Any action taken by the Authority regarding this matter will be taken in open meeting session (either at this meeting or later) after the adjournment of the Executive Session.</i>	
15. Call to the Public	
16. Adjourn	A <b>MOTION</b> was made and seconded (N. Eckel / L. Lucero) to adjourn the meeting at <b>4:40 p.m.</b> <b>Approved 5-0</b>

Submitted by:  
Karen J. Valdez  
Business Development Finance Corporation

Approved by:  
Larry Lucero, Vice President  
The Industrial Development Authority of the  
City of Tucson, Arizona